



Solutions Table Meeting Notes

October 28, 2019, Olympia WA

The Solutions Table met for the tenth time on October 28, 2019, in Olympia, Washington. All members were present and participated, except for Patricia Jones (Olympic Forest Coalition). Commissioner Franz (DNR), Tom Bugert (Senior Strategic Advisor, Office of the Commissioner of Public Lands), Andrew Hayes (DNR Forest Resources Division Manager), and Lenny Young (DNR Executive Policy Advisor) were also present. Miguel Perez Gibson (WEC) represented Lisa Remlinger (WEC) and Matt Comisky (AFRC) represented Travis Joseph (AFRC).

Agenda items included the following.

- Taking stock of where we are: Solutions Table's work to date and early accomplishments
- Considering a big picture solution: High-level discussion
- Public comment. *Note: Members of the public did not have any comments at this point on the agenda.*
- Solution areas and tools considered until now. *Note: Due to lack of time, this topic was not covered, and it will be addressed on the next Solutions Table meeting.*
- Looking toward 2020
- Public comment

Taking stock of where we are: Solutions Table's work to date and early accomplishments

Commissioner Franz (DNR) welcomed everyone to the meeting and reiterated the important goal of the Solutions Table in working together towards a common solution and achieve positive interlocking outcomes in the areas of murrelet habitat conservation, trust revenue, timber volume, and timber jobs. The Commissioner thanked the Solutions Table's members for their work to date and indicated that the Table is currently at a key moment where it can move strategically to bring forward bold solutions that have the potential to deliver transformative change. The Commissioner acknowledged that all caucuses feel a sense of loss and thanked everyone for showing openness to working together towards a big picture solution and long-term vision.

One Solutions Table member highlighted the importance of focusing on long-term goals, and specifically on maintaining healthy forests that are a critical part of Washington State's infrastructure and play a key role in the environmental and economic health of the State.

Considering a big picture solution: High-level discussion

DNR presented some preliminary thinking for integrated solutions based on Solutions Table conversations to date. Handouts in the form of a table were shared with the Solutions Table and members of the public. This preliminary discussion draft includes contextual information on DNR's principles and is meant to support Solutions Table conversations moving forward.

The potential outcomes sketched in the discussion draft would be contingent upon approval of the Board of Natural Resources.

The discussion draft addresses three layers, each with outcomes in the areas of murrelet habitat conservation, trust revenue (counties and other trusts), timber volume, and timber jobs i.e.:

- Layer 1 - Long-Term Conservation Strategy (LTCS);
- Layer 2 - Additional murrelet habitat conservation (above and beyond the LTCS);
- Layer 3 - Actions by the Table.

DNR explained that its legal requirements around murrelet conservation are being fully met through the LTCS. Working with the Solutions Table to achieve additional marbled murrelet habitat is a policy choice, not an obligation. However, fully compensating affected trusts for the consequences of additional murrelet habitat conservation is an obligation, not a policy choice. One environmental caucus member commented that considering the LTCS as having a negative effect on other interests may be a DNR assumption since the Board of Natural Resources needs to support the interests of beneficiaries. The same member also noted that, in their perspective, DNR may not entirely fulfill all its obligations under the Endangered Species Act (ESA). DNR indicated that beneficiaries perceive a sense of loss from the LTCS implementation. One beneficiary member added that implementation of the LTCS is causing a loss of revenue.

Specific suggestions and clarifying comments from the Solutions Table to further enhance the discussion draft included:

- Timber jobs are closely related to timber volume. The Solutions Table suggested to rephrase this outcome as “jobs track volume” instead of “passive outcome.”
- The Solutions Table suggested to refer to “replacing external revenue and/or assets” instead of “replacing revenues”. Members also highlighted that they expect that the outcome of replacing revenues does not refer to additional revenue from better managing existing assets since it is expected that this will happen anyway.

Overall, the Solutions Table appreciated DNR's effort in putting together the discussion draft and contextual information and indicated that it is a helpful starting point. The Solutions Table acknowledged that there is a need for more in-depth conversations in future meetings in order to better understand and further refine the outcomes sketched in the draft. Discussion highlights and additional reactions during the meeting are captured below. Comments from the Solutions Table members include all the three layers referenced in the discussion draft.

Murrelet Habitat Conservation

The conservation caucus suggested to explore the possibility of taking a phased approach in allocating 38,000 acres to conservation and focus first on some optimal areas with high quality habitat. The caucus specified that identifying the first 5,000 acres to be used as habitat land in the near-term would be a good starting point.

In identifying the specific habitat for conservation, DNR indicated that it will be guided by the Marbled Murrelet Coalition. Members also recommended to review the areas referenced in Alternative G and the Environmental Impact Statement (EIS) as part of this effort. It was suggested to look at approaches taken by other countries such as Canada to protect marbled murrelets and identify potential conservation lands based on geographical distribution.

The Solutions Table indicated that the discussion draft should emphasize more the considerations related to additional marbled murrelet conservation strategies such as prey and predator management, currently referenced briefly in layer 3.

Trust Revenue (Counties and Other Trusts)

Solutions Table members expressed initial support for the proposed “bridge mechanisms” intended to compensate affected trusts for the financial impacts of front-end loaded habitat conservation while long-term replacement of trust revenue is underway. The Teanaway River case was mentioned as a positive example of how conservation benefits were achieved before the entire Yakima Basin Integrated Plan was set in place.

Members recommended to also look at additional counties and junior taxing districts that may be impacted besides Pacific and Wahkiakum counties. The Solutions Table emphasized that there will be impacts that are place-specific and jurisdictions will be impacted differently. The study that will be conducted by the Washington State Association of Counties (WSAC) will help identify additional entities that will be most impacted and should potentially be compensated. One conservation member suggested that an area that the Solutions Table could further explore is the possibility of developing a new trust for the assets expected to be replaced, particularly in areas where fully restoring timber revenue may not be possible. An example of this type of funding mechanism could be to potentially put in place a wind or solar farm and consider revenue sharing across counties/local jurisdictions.

DNR highlighted that it would like the Solutions Table to support the continuation of biennial State Forestland Replacement appropriation requests and advance the encumbered lands objectives. The Solutions Table also recommended that DNR look at potential strategies that could enable entities like counties and ports to acquire lands and ensure current timber lands are not lost to conversion. A member cited that, currently, counties and ports may not be allowed to participate in timber land acquisitions. Members also discussed that the Solutions Table could

potentially look at opportunities for more predictable asset and revenue generation, as opposed to focusing on mitigation loss only. Strategies such as portfolio diversification could help increase and/or make the income for beneficiaries more predictable.

One member also noted that there is a need for beneficiaries to prevent any "claw back" regulations that would impact trusts' revenues if additional trust revenues were indeed generated.

Timber Volume

Members emphasized the importance of addressing timber volume and jobs as interconnected issues. The Solutions Table recommended to not focus only on the impacts at the county level, but also to look at the flow of the logs to identify potential impacts that may be happening in both specific counties and other neighboring areas that may have mills, etc.

Timber jobs

Skill diversification for the current workforce was mentioned as a key component in ensuring job stability. In achieving this goal, the Solutions Table recommended to look at existing efforts that could be leveraged such as the Marine Corps (and other service member) programs offering agricultural career options, or explore the possibility of developing new initiatives such as a forest management school academy to train the next generation of workforce. Members also suggested to identify strategies and best practices that other countries (e.g., the Northern European countries) may be adopting in this arena.

Next steps:

- The Solutions Table will develop shared principles reflecting the Table's balanced perspectives and shared objectives at the November 14 meeting.
- DNR will update its discussion draft to reflect the input offered by the Solutions Table. An updated version will be discussed at the next meeting.
- DNR will follow-up internally to learn more about the current statutory requirements and the possibility for entities like counties and ports to acquire timber lands. DNR will coordinate with Dan Cothren (Wahkiakum County Commissioner), Connie Beauvais (Port of Port Angeles), and Paul Jewell (WSAC) to find out more information and circle back with the full Solutions Table.
- The Solutions Table will develop specific questions to be addressed with the US Fish and Wildlife Service (USFWS) for the November 15 conference call on habitat management. DNR will share the questions in advance with the USFWS.
- The next Solutions Table meeting will include a discussion on value-added processing/manufacturing ideas based on an initial proposal developed by a small Solutions Table group.

Public Comment

One commenter stressed that the focus of the Solutions Table should be on developing shared principles and indicated that it may not make sense to have two sets of principles from the Solutions Table and DNR. The same commenter raised concerns about the Solutions Table's discussion with regard to additional murrelet habitat conservation. The commenter also pointed out that there is a need for a strategy to improve the Sustainable Harvest Calculation (SHC). DNR reiterated that the Solutions Table is considering recommending to the Board that the SHC include an estimate of riparian timber harvest volume in the SHC and allow DNR to credit riparian volume timber harvests towards achievement of its stated SHC.

The second commenter thanked the Solutions Table and DNR for considering additional murrelet habitat conservation and recommended to not expedite the process of engaging the Board of Natural Resources on this process in the upcoming legislative session.

Other comments and updates from the Solutions Table

- Paul Jewell (WSAC) let the Solutions Table know that, following the September 17 meeting in Forks, he had a conversation with his county colleagues who clarified that counties do not have any concerns with small forest landowners and forestland designations.
- Paul Jewell (WSAC) gave an update on the Marbled Murrelet Impact Study that will be conducted by WSAC. The RFP was published on the WSAC website and was shared with many recipients. Paul Jewell will connect with the Solutions Table and DNR for potential participation in the Steering Committee that will be formed to provide input and oversee the study. Ross Strategic will share the RFP with the Solutions Table.

Next Solutions Table Meetings

Members decided that the November 14 Solutions Table meeting will take place in Aberdeen and the December 17 meeting in Olympia.